
From: Holl, Eric J [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=34AF852279554311BF577AB3B4532109-EJHOLL]
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Subject: NRDC Blog Post: North Carolina's Bad Decision on Atlantic Coast Pipeline

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January 25, 2018 Amy Mall

Earlier today the Governor of North Carolina announced that he has approved Clean Water Act certification for the portion of the Atlantic Coast Pipeline (ACP) that would go through his state. This dirty fracked gas pipeline is wrong for many reasons. It will threaten North Carolina's clean water, clean air, low-income consumers, communities of color, farmers, and wildlife--and will lead to greenhouse gas emissions that we can't afford if we want to combat climate change. Approving this pipeline, while opposing new offshore oil and gas development, makes no sense in the fight against climate change and dirty energy.

The ACP would be nearly 600 miles long— with almost 200 in North Carolina—and up to 42-inches in diameter. It would transport fracked gas from the shale fields of West Virginia, through Virginia, to North Carolina, and maybe even into South Carolina. The pipeline project owners are Duke Energy, Piedmont Natural Gas (a subsidiary of Duke Energy), Dominion Energy, and Southern Company Gas. In total, Duke Energy will own 47% of this pipeline.

Here are the reasons why it should not be built:

There is no documented need for ACP: In just the last three years, Duke Energy Carolinas and Duke Energy Progress have cut their forecasted load growth in half and have significantly cut the amount of new natural gas power plants needed within the next five years.

The pipeline is a bad deal for N.C. consumers: The only entities currently signed up to buy fracked gas from this pipeline are affiliates of the owners – and these project owners were granted a whopping guaranteed 14 percent rate of return (ROR). In other words, the pipeline owners would sell gas to their regulated utility subsidiaries with a guaranteed ROR, and these utilities will pass on the costs of the gas to their “captive” utility customers. The North Carolina Utilities Commission has called this 14 percent rate “excessive” and “unsupported.” North Carolina consumers will foot the bill for this pipeline.

There are clean energy alternatives: For the amount of money that would be spent on building the pipeline—almost \$5 billion—NRDC analysis found that we could instead pay for enough solar and wind power for almost 400,000 homes every year. And, for the amount of money that would be spent operating the pipeline once built—\$65 million— these utilities could instead save consumers up to 2.8 million megawatt-hours a year by expanding energy efficiency in the region, such as installing more efficient lighting and appliances, eliminating drafts and leaks, and supporting more efficient building construction.

There are better job-creators: NRDC analysis found that these clean energy investments could support more than 9,000 gross, full-time direct and indirect jobs in N.C., Virginia, and West Virginia over the next 20 years. This is three times greater than the pipeline owners' own analysis projected they would create over the same period. A recent analysis of pipelines found: “There is no clear support for the claim that the ACP would lead to additional opportunities for new manufacturing in the region” and “Recent evidence from states with new natural gas pipeline capacity shows no support for the conclusion that the addition of new pipelines leads to additional opportunities for new manufacturing jobs in those states.”

North Carolina's waters are at risk: Construction of the ACP threatens nearly 37,000 feet of 326 different waterbodies and at least 468 acres of valuable wetlands in North Carolina. It will also place groundwater at risk. There will be blasting, digging, heavy equipment usage, and other destructive activities in these sensitive areas. Sedimentation and erosion can be expected to continue long after construction, from disturbed stream beds and unanticipated flooding and storm events that cause long term water pollution. Not to mention impacts that would take place at the point of fracked gas extraction.

These are not idle threats. Just this week the Federal Energy Regulatory Commission ordered Rover Pipeline to stop drilling under the Tuscarawas River in Ohio because of highly risky drilling. FERC determined that "no approach to date has been completely successful" for that site. And the Ohio Environmental Protection Agency has said that continued drilling for Rover in a different location—one where 2 million gallons of drilling chemicals were spilled last year--would pose a "threat" to the state's environment. Rover has been subject to more than 20 violations.

In Pennsylvania, fracked gas pipeline construction has already contaminated drinking water. Construction of the Mariner East 2 pipeline contaminated the drinking water source for 15 families last year.

In West Virginia, Dominion (the majority owner of ACP) has been cited for work on three different pipelines that contaminated a dozen different streams.

Aquatic species are threatened: The pipeline will run through fish spawning and nursery areas essential to endangered species such as the Atlantic sturgeon and the Shortnose sturgeon, as well as North Carolina's important commercial striped bass fishery. It will also run through the headwaters of creeks and rivers with river herring habitat.

Toxic air pollution from pipeline operations: Fracked gas is compressed so that it can travel farther through pipelines. As part of the ACP, a compressor station would be built in Northampton County. According to the pipeline owners, this compressor station would emit nitrogen oxide, particulate matter, methane, and a significant amount of volatile organic compounds (VOCs) and ammonia. VOCs can cause serious health effects, including eye, nose and throat irritation, headaches, nausea, damage to liver, kidney and central nervous system, and cancer. Formaldehyde, one of the VOCs that would be emitted from the Northampton Compressor Station, is a probable carcinogen. Under North Carolina regulations, these VOCs and ammonia are listed as toxic air pollutants. N.C. DEQ has not yet issued the air permit for this compressor station.

Low-income and communities of color will pay the price: The ACP will harm some of the most vulnerable populations in North Carolina, including Native Americans, low-income communities, and communities of color. The ACP would cross 8 counties in the state, 7 of which have a higher African American population than the state as a whole, median household incomes below the statewide median, and poverty levels higher than the state average. The Northampton compressor station would be located in a county that has a higher African American population, lower median household income, and higher poverty level than the state as a whole. This county also has a higher overall cancer rate: lung and bronchial cancers, two forms of cancer caused by common air pollutants, are already elevated in this county. And ACP would go through Robeson County, where over half of the census tracts impacted by the pipeline have populations over 50 percent Native American—some over 80 percent. There are concerns about impacts to the Lumbee Tribe's cultural and historic sites.

Farmers and other private landowners will lose their land: Over 200 property owners in eight North Carolina counties do not want to sign over their property rights to Duke Energy. The company is now mobilizing to seize their property through a process called eminent domain. Through eminent domain, private companies are allowed to take property from a private landowner. This is only supposed to happen when there is an important "public use," and landowners receive payment for their land. But these pipelines are not proven to be necessary, and payment may not reflect the true value. In North Carolina, ACP is suing private landowners to seize portions of their property, before the pipeline has even received all its necessary permits, and before landowners have received any compensation.

Fracked gas pipelines threaten public safety: There are significant public safety risks associated with having a pipeline close to homes or businesses: from 2014-2016, 10 people were killed and another 20 were injured due to accidents with natural gas transmission pipelines nationwide.

To protect the water, wildlife, and communities in North Carolina, this pipeline should not have received Clean Water Act approval. Instead of fracked gas transported through an unneeded, costly, and dangerous pipeline, benefiting only dirty energy corporations, North Carolina deserves clean energy and the jobs it will bring. NRDC will remain engaged in the fight to bring North Carolina clean energy, free of dirty fossil fuels.

Although North Carolina made the wrong decision, Virginia still has a chance to get it right. Virginia can and should take a fresh look to analyze the many water crossings of both the ACP and the Mountain Valley Pipeline to ensure the highest protections for Virginia's clean water.

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